

**JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA**

P.O. BOX 94214
BATON ROUGE, LOUISIANA 70804-9214
504/342-5900

JANUARY 11, 1994

DIRECTIVE NO. 116

**TO: Eric Schmidt
John O'Brien
Lloyds Assurance (A Louisiana Partnership)
Gemar, Inc.
Lloyds Assurance, Inc.
Associated Insurance Consultants, Inc.
LEMÉ Reinsurance, Ltd.
Associated Auditors, Inc.
Physicians Medical Indemnity Association, Inc.
Physicians Medical Indemnity Association, A Risk Retention Group
 aka Physicians Mutual Indemnity Association
 aka Physicians Medical Indemnity Mutual
 aka Physicians Medical Indemnity Mutual Association
Loan Express, Inc.
Numa, Inc.
their agents, attorneys, employees, assigns and any person
 or entity acting for or on their behalf**

Compelling evidence has been submitted to the Department of Insurance that:

GARY BENNETT

- (1) attempted to remove and conceal books, records and papers related to the affairs of the above-listed persons and entities;**
- (2) failed to disclose to the Department of Insurance the existence of bank accounts and computer access codes;**
- (3) withheld information requested by the Department of Insurance;**
- (4) participated in and directed the transaction of insurance business in this State in a manner designed to evade the provisions of the insurance laws of this State; and**

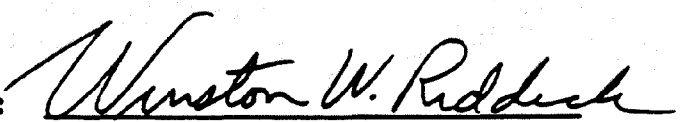
(5) obtained or caused to be obtained a cashier's check in the amount of \$511,424.94, dated November 15, 1993, through or on behalf of Associated Insurance Consultants, Inc., payable to the order of Physicians Medical Indemnity Association, and caused same to be sent by Federal Express from Physicians Medical Indemnity Association, 909 Poydras St., Suite 2000, New Orleans, Louisiana 70112 to Charles Donaldson, Captive Managers, Cable Beach Court #1, B.O. Box CB 10989, Nassau, Bahamas, all in direct and wilful violation of a valid and binding order of the Commissioner of Insurance and in direct and wilful violation of the provisions of the Louisiana Insurance Code. A copy of suit number 93-3014 filed in the United States District Court for the Western District of Tennessee, Western Division, entitled "United States of America versus One Cashier's Check in the Amount of Five Hundred Eleven Thousand Four Hundred Twenty-Four Dollars and Ninety Four Cents (\$511,424.94) and the Proceeds Thereof" is attached hereto and incorporated herein;

all in contravention of applicable law and the insurance laws of this State.

Based on these findings, all of the above-listed persons and entities, and their attorneys, employees, agents, assigns and any other person acting for or on their behalf are directed to immediately terminate all business relationships with and employment of Gary Bennett and cease all payments to him in the form of salary, compensation, fees, consulting fees or otherwise.

The refusal or failure to comply with this directive may result in further action by the Department of Insurance.

James H. "Jim" Brown
Commissioner of Insurance

BY: 
Winston W. Riddick
Chief Deputy Commissioner

Effective Date and Time:

5:00 P.M.
January 11, 1994